MOST IMMEDIATE

GOVERNMENT OF KHYBER PAKHTUNKHWA
LOCAL GOVERNMENT, ELECTIONS & RURAL DEVELOPMENT DEPARTMENT

No. SO(UADAs)/LG/1-40/UADA/2022
Dated the Peshawar, 15th February, 2022

To

All Directors,
Urban Areas Development Authorities,
D.I Khan, Bannu, Karak, Kohat, Mardan, Swabi, Swat, Mansehra & Abbottabad.

Subject:- **THE KHYBER PAKHTUNKHWA URBAN AREAS DEVELOPMENT AUTHORITIES AUCTION REGULATION 2022.**

I am directed to refer to the subject noted above and to enclose herewith gazetted notification regarding Auction Regulation of Urban Areas Development Authorities in Khyber Pakhtunkhwa for information and further necessary action please.

Encl as above:

Yours faithfully.

15/02/2022
Section Officer (UADAs)
091-9212054

ENDST; NO.& DATE EVEN

Copy forwarded to the:-
1. PS to Secretary LGE&RD Department.

15/02/2022
Section Officer (UADAs)

Scanned with CamScanner

EXTRAORDINARY

GOVERNMENT

REGISTERED NO. P.III

GAZETTE

KHYBER PAKHTUNKHWA

Published by Authority

PESHAWAR, TUESDAY, 25TH JANUARY, 2022.

GOVERNMENT OF KHYBER PAKHTUNKHWA LOCAL GOVERNMENT, ELECTIONS AND RURAL DEVELOPMENT DEPARTMENT

NOTIFICATION

Dated Peshawar, the 24th January, 2022.

No. SO(UADAs)/LG/1-40/UADAs/2022: In exercise of the powers conferred under section 7 read with section 44 of the Khyber Pakhtunkhwa Urban Areas Development Authorities Act, 2020, the Urban Areas Development Authorities (UADA) Board is pleased to make the following regulations namely;

"THE KHYBER PAKHTUNKHWA URBAN AREAS DEVELOPMENT AUTHORITIES AUCTION REGULATIONS, 2022"

1. **Short title and commencement:** (1) These regulations may be called "Urban Areas Development Authorities (UADA) Auction Regulations, 2022.

   (2) These regulations shall come into force at once.

2. **Definitions:** (1) In these regulations, unless the subject or context otherwise required, the following expressions shall have the meanings hereby respectively assigned to them, that is to say,-

   (a) **"bidder"** means a person making a formal offer to participate in auction proceedings.

   (b) **"committee"** means the Auction Committee under these regulations;

   (c) **"competent authority"** means the Director of the concerned UADA;

   (d) **"earnest money"** means the money, deposited by the potential bidders at the time of submission of their bid, which shall be 25% of one year's reserve price;

   (e) **"lease agreement"** means the lease agreement, entered into between the Authority and the successful bidder, in respect of the property auctioned under these regulations;

   (f) **"leaseholder"** means the successful bidder, who has signed the lease agreement with the Authority, in respect of the property auctioned under these regulations;

   (g) **"reserve price"** means the bid starting price of the property to be auctioned under these regulations, as determined by the Price Assessment Committee.

   (h) **"successful bidder":** means the potential lease holder / allottee, who has been issued the bid acceptance letter by the Competent Authority and has fulfilled all the conditions and paid the bid amount in respect of the property auctioned under these regulations.

Scanned with CamScanner

(2).Words and expressions used in these regulations but not herein defined shall have the same meanings as are assigned to them in the Act.

3. **Committee:** (1) For the purpose of auction, there shall be a Committee, at the level of each Authority, to be known as the Auction Committee.

(2) The Committee shall consist of

a)	Director UADA of the concerned Authority;	(Chairman)
b)	Deputy Director (Tech) of the concerned Authority;	(Member)
c)	Housing Officer of the concerned Authority	(Member)
d)	Assistant Director (Planning) of the concerned Authority	(Member)
e)	a representative of the LG Deptt; not below BPS-18.	(Member)
f)	a representative of Deputy Commissioner concerned	(Member)
g)	Superintendent (Admn:) of the concerned Authority	(Member cum Secretary)

4. **Price Assessment Committee:** The concerned Authority may, for the purpose to determine reserve price of property, constitute a Committee to be known as Price Assessment Committee, which shall consist of

a)	Director/Deputy Director (Technical) of the concerned Authority;	(Chairman)
b)	Assistant Director (Technical) of the concerned Authority	(Member)
c)	Housing Officer of the concerned Authority;	(Member)
d)	Superintendent (Admin), of the concerned Authority	(Member)
e)	Accounts Officer of the concerned Authority;	(Member cum Secretary)

5. **Criteria for auction:** The criteria for auction of the properties shall be as follows:

a. "**Property**":

i. **Shops/ Open Spaces / Halls / Commercial Units/ Flats:** The shops /open spaces/ halls / commercial units/ flats in different markets/ commercial area in the jurisdiction of the Authority shall be rented /leased only through open public auction on lease basis (premium and monthly rent) for a period of 10-years or simple monthly rent for a period of 03-years (non extendable) as may be deemed feasible and appropriate in light of market conditions and requirements of the Authority which shall be provided in the advertisement/terms of auctions/allotment letter.

ii. **Parking Spaces / Entry Points to Parks:** Parking spaces / entry points to parks shall be leased out (premium only) on the basis of open public auction. The period of lease for parking spaces/ entry points to parks shall be minimum one year. The premium amount and applicable taxes shall be paid in advance for the whole year.

iii. **Restaurants / Cafeterias / Wedding Halls / Marquees / Sasta Bazars:** Restaurants /Cafeterias/Wedding Halls / Marquees/ Sasta Bazar shall be auctioned for a maximum period of three years on the basis of premium and a monthly rent.

iv. **Schools/ Educational Plots (Private Sector):** Schools / educational plots (private sector) shall be auctioned on ownership basis.

v. **Sites for Petrol / Diesel/ CNG Pumps:** Sites for petrol/ diesel/ CNG pumps shall be leased out on premium and rent basis for a period of fifteen years.

vi. **Toll Plaza:** The rights of toll collection at toll plaza shall be leased out through open public auction for a period ranging from one year to a maximum of two years on the basis of monthly or quarterly rent. An advance of the bid amount shall be levied prior to handing over

Scanned with CamScanner

possession and the remaining amount be recovered as rent. Upon expiry of the lease period, the premises shall be re-auctioned.

vii. **Commercial Plots:**

a) un-built commercial plots in the Authority area are to be auctioned either on ownership basis or on premium along with rent basis or simple rent basis, as may be decided by the Authority keeping in view the requirements and condition of the market;

b) commercial plots which are to be auctioned on premium along with monthly rent basis shall not be leased for a period exceeding ten years and not less than a period of three years;

c) after the expiry of the lease period, the plot shall be re-auctioned and the present lessee shall have the right of first refusal of the highest bid received; and

d) in case of auction on premium along with rent or only rent basis, the' structure erected upon the plot shall be deemed as the property of the Authority on expiry of the lease period.

e) the un-built commercial plot are categorized as under:

i. Up to 5-kanal,small;
ii. 5 to 10-kanal,medium; and
iii. 10-kanal and above, large.

viii. **Residential Plots:** All the residential plots shall be disposed of through open public auction on ownership basis.

ix. **Miscellaneous Properties:** Miscellaneous properties of the Authority, including but not limited to restaurants, cafeterias, cabins, etc. shall be leased out through open public auction for a period ranging from one year to a maximum of five years.

6. **Mechanism:** The Housing Officer of the concerned Authority shall prepare and publish a public notice containing the description of the property, specific use of the property, the reserve price, earnest money, material terms and conditions of the auction and any other information or details which is deemed necessary.

7. **Terms and conditions for auction on ownership basis:**(1)The following terms and conditions shall apply for auction of property on ownership basis:

a. For participation in auction the bidder will be required to deposit Rs. 3,00,000/- (Three lacs only) for each property/plot as security in the shape of bank draft/call deposit/ pay order in the name of Director of UADA concerned before the auction, otherwise, no bidder shall be allowed to participate in the auction proceedings. The security deposit will be refunded to the unsuccessful bidders after finalization of the auction.

b. The successful bidder will be required to deposit Twenty Five percent (25%) of the amount of bid declared successful by the competent authority in the shape of bank draft in the name of Director of concerned UADA within seven working days. In case of failure, the bid shall stand cancelled and the security amount shall be forfeited in favour of the Authority.

c. Within one week after receipt of Twenty Five percent (25%) of the bid amount, the Authority shall issue an allotment letter to the successful bidder requiring him to deposit the remaining amount within one month in the same manner.

d. If the successful bidder fails to deposit the remaining amount within the prescribed one month, a surcharge of One percent (1%) of the whole bid per day will be charged.

e. If the successful bidder fails to deposit the remaining amount and the surcharge upto a period of ninety (90) days, the bid shall stand cancelled and the bid amount so deposited alongwith security deposit shall be forfeited in favour of the Authority.

Scanned with CamScanner

f. The successful bidder shall have to pay in addition to the bid amount, fee or taxes, if any, directly to the concerned department under the relevant laws. Failure to deposit the liable fee or taxes may result in cancellation of allotment.

g. The possession of the property/plot will be handed over to the successful bidder/allottee only after receipt of full payment/dues/taxes.

h. The bidder representing some other person shall have to produce an attested power of attorney/authority letter in his favour before participating in the auction proceedings.

i. The successful bidder/allottee shall abide by the rules/regulation/bye-laws for the time being enforced by the Authority and the Act.

j. The successful bidder shall execute a sale agreement with the Authority, through its authorized representative before taking possession of the Property. The sale agreement shall be based on the terms and conditions mentioned herein. A copy of the draft or the sale agreement shall be provided to the successful bidder along with the bid acceptance letter. After payment of complete bid amount, the successful bidder shall submit the sale agreement, printed on stamp papers having applicable Stamp Duty under the Stamp Act, 1899, within seven days of the issuance of the bid acceptance letter.

8. **Terms and conditions for auction on lease basis:**(1) The following terms and conditions shall apply for auction of property on lease:

a. The period of the lease shall be minimum for one (1) year and maximum for fifteen (15) years. The period of lease shall be determined by the Committee and shall be mentioned in the notice published for auction;

b. at the time of auction of the property, the potential bidders shall deposit the earnest money in the shape of bank draft, call deposit or CDR in the name of the Director, of the concerned Authority;

c. the lease term of the property shall start from date of lease agreement after the approval of bid by the Competent Authority; and

d. the highest bid shall be approved by the Competent Authority within fifteen days of auction on recommendation of the' Committee, who can reject the bid without assigning any reason, and a letter, conveying acceptance or rejection of the bid, shall be issued within ten days of the decision by the Authority. The earnest money, deposited by the unsuccessful bidder, shall be refunded with the rejection letter.

(2). The successful bidder shall pay thirty five percent of one year's approved lease money within ten working days of the issuance of the acceptance letter of auction by the Competent Authority, After adjusting the earnest money already deposited as security, the security amount shall be refunded to the successful bidder when the lease term expired after getting necessary clearance from concerned offices, and deductions of any outstanding fees, dues etc. if any.

(3). In addition to the security deposit, the successful bidder shall also pay installment of one month in advance, which shall be adjusted as rent of last month of the lease.

(4). The successful bidder shall also pay monthly rent in advance before fifth of each month. However, the due date shall be extended to next working day if it falls on a holiday. The rent shall be increased by Ten percent (10%) each year. In case of default in timely payment or any other payment under the lease agreement or these regulations, a surcharge at the rate of One percent (1%) per day shall be applicable on the default amount. If the default in such payment continues for more than three months, the lease shall be deemed to have been cancelled and the property shall be resumed back by the concerned Authority.

(5). The successful bidder shall execute a lease agreement with the Authority, through its authorized representative before taking possession of the property. The lease agreement shall be based on the terms and conditions mentioned herein. A copy of the draft or the lease agreement shall be provided to the successful bidder along with the bid acceptance letter. After payment of the one month advance installment, the successful bidder shall submit the lease agreement, printed on stamp papers having applicable Stamp Duty under the Stamp Act, 1899, within seven days of the issuance of the bid acceptance letter. The

Scanned with CamScanner

successful bidder shall sign the lease agreement, and get it registered with the concerned Sub-Registrar of Rent Controller under the applicable law at his own expense.

(6). Before or at the time of execution of the lease agreement, the successful bidder shall handover the signed cheques, in advance, of each monthly lease money payable by the successful bidder, as a guarantee to the Authority.

(7). After signing the lease agreement, the lease holder shall be responsible for the payment of all the utility bills of the property during the lease term and the security or CDR shall be released after three months or on expiry of the lease period.

(8). If the lease agreement involves charging of any kind of fee (i.e. parking fee etc.), the lease holder shall be bound to receive the same according to the rates approved by the Committee. Such fees/ rates shall be displayed by the lease holder at a prominent place on the property.

(9). The lease holder shall be responsible for any type or damage caused to the property during the lease term and shall pay for the damages as and when demanded by the Competent Authority. Moreover, the Authority shall not be responsible for damages caused due to unforeseen incidents in which there is no involvement of the Authority. The lease holder shall also bear the damages caused due to his negligence such as theft of any vehicle, fire incidents, death etc.

(10). The lease holder shall be responsible for the appointment of personnel looking after the affairs related to the nature of use of property, while the Authority reserves the rights to raise objection on the appointment of any person whose conduct or act is unreasonable. On such objection the lease holder shall be bound to remove such person from the duty forthwith.

(11). The lease holder shall not transfer the rights of interest in the property to a third party whether partial or complete. In case of violation, the lease shall stand cancelled forthwith and the authority shall have the right to take possession of the property.

(12). The lease holder shall have no right to use the property for any other purpose apart from the specified purpose.

(13). The Authority shall have the right to inspect the property and check the rates being revised at any time, and a penalty upto rupees.10,000/- per day on each violation may be imposed by the Competent Authority.

(14). The lease holder shall be responsible to depute security personnel for the protection of the property, its allied facilities from theft or any harmful incident and shall also bear expense on their maintenance.

(15). After the expiry of the term, the lease holder shall cease to run any business or receive any fees. remove his personnel and hand over the possession of the property to the Authority. In case of failure, the Authority shall take the possession at the risk and cost of the lease holder.

(16). In case of re-auction of any property, the right of first refusal (right to match the highest bid) shall be given to existing valid lease holder of the particular property. The existing lease holder shall match the highest bid within five days of the auction; provided that he participates in bidding process.

(17). The lease holder shall be responsible for timely payment of all Government duties and taxes levied from time to time.

(18). The lease holder shall obtain permission or license for the purpose of running his business from the concerned Department and shall ensure implementation of all safety measures or standards set out by the relevant law.

(19). The lease holder shall also be responsible for affixation of informatory symbols signboards, approved by relevant Agencies or Departments, for the information of public.

(20). In case of violation any of the terms and conditions, lease shall be cancelled, the earnest money shall be forfeited and the property shall again be put to auction to which the lease holder shall have no objection or right of first refusal.

(21) The lease holder shall not make any addition or alteration to the building.

Scanned with CamScanner

(22). The lease holder shall be responsible for provision of uninterrupted services such as cleanliness, horticulture, electricity, sewerage etc. and shall also take step for anti dengue sprays, COVID-19 SOPs etc.

(23). In case of any violation by the lease holder, the Housing Officer of the concerned Authority shall issue notice for its redressal. The lease holder shall inform the Authority after taking necessary steps for rectification of any default or violation, within a period of seven days, otherwise the concerned Authority shall be at liberty to take corrective action.

(24). In case of any dispute between the Authority and lease holder, the Managing Director of Urban Areas Development Authorities or the officer, nominated by him, shall act as the sole arbitrator whose decision shall be final and shall not be challenged by either of the parties.

Issued and approved by the Urban Areas Development Authorities Board

Secretary
Local Government Elections & Rural
Development Department, Government of
Khyber Pakhtunkhwa

Printed and published by the Manager,
Staty. Ptg. Deptt., Khyber Pakhtunkhwa, Peshawar

Scanned with CamScanner